

## **Summary of CBM Task Force (TF) Work Progress January 2, 2007**

The TF met monthly beginning in May 2006. The public meetings were located in and around centers of CBM development throughout the state. On two occasions, a second day of site visits were scheduled. Notices of the meetings were provided on the TF website ([wycbmwater.gov](http://wycbmwater.gov)) and in newspapers. The meetings were well attended. The TF accepted public comment at all but two of the meetings. The TF heard from individuals and organizations including representatives of the CBM industry, the ranching community, landowners, environmental groups, landowner organizations and concerned citizens.

### **Major Issues Identified by the TF To Date**

Issue 1: Concerns of downstream landowners regarding water quantity and discharge quality to assure that discharges do not exceed receiving stream capacity or adversely affect downstream landowner use of their property

Issue 2: Retention of produced water in the state of Wyoming. The TF believes that produced water should be retained in the state.

Issue 3: Putting produced water to additional use. The TF is looking at opportunities and incentives that can be developed to add value to the produced water.

Issue 4: Balance maximizing and retaining state and local government revenues from CBM production with protecting the surface and mineral property rights where development occurred. The TF is looking at opportunities to meet the interests of all affected parties.

Issue 5: Should a landowner be required to accept discharge-related impacts whether they want it or not? The TF continues to search for opportunities to create additional options for landowners who do not want produced water to flow across their property.

Issue 6: Is the value of agricultural bottomlands adequately protected? Bottomlands are of value to agriculture producers. The TF is awaiting the final WDEQ agriculture use policy (Section 20, Chapter 1). The TF will not review the draft policy.

Issue 7: There is a need to develop non-court dispute resolution mechanisms for settling water-related differences between landowners and operators. The Petroleum Association of Wyoming, in concert with the Wyoming Farm Bureau, Wyoming Woolgrowers, Wyoming Stockgrowers, and Wyoming Association of Conservation Districts, has proposed a dispute resolution mechanism. The TF will review the proposal when submitted.

Issue 8: Need to balance water production, costs and uses. The TF is involved in a full discussion of issues relating to environmental, social, economic and other interests.

Issue 9: Reliable production estimates. The TF recognizes that current, reliable estimates of gas and water production are important for TF recommendations.

Issue 10: Watershed permitting is a valuable tool in CBM development. Watershed permitting currently being conducted by the WDEQ could become a much more valuable mechanism for addressing concerns of landowners, particularly those downstream of development activities. While WDEQ anticipates that eventually all watersheds in the PRB will be covered by general watershed discharge permits, the TF recommends that this process be accelerated and that an aggressive schedule be developed to complete these permits for the entire PRB. If additional resources are necessary to complete the watershed permits on an accelerated schedule, the TF encourages the Legislature to provide these resources in a timely manner.

Issue 11: Regulatory and statutory gaps. TF discussions with state agencies indicate that there is currently no state regulatory framework to allow limits to be set on the quantity of water discharged in a stream channel unless a direct relationship exists between the quantity of the water and water quality degradation. In addition, WDEQ lacks specific authority to regulate subsurface seepage from reservoirs. The TF is reviewing the regulations for legislative consideration.

## **Priorities for Final Report**

Based on information reviewed to date, the TF believes the following next steps are prudent.

- A. The TF will address water quantity regulatory gaps
- B. The TF will develop a proposal for a mitigation process to address unanticipated impacts
- C. The TF will explore regulatory authority for produced water storage reservoirs and development of minimum standards for liners and criteria for siting reservoirs

## **Recommendations To Date**

### **Watershed permitting should be expedited**

The TF believes that watershed permitting, currently being conducted by WDEQ, is an excellent mechanism to involve landowners in decisions made about upstream CBM development that may affect their downstream property. Consequently, the TF recommends that the WDEQ proceed expeditiously with watershed permitting in the PRB and that watershed permitting be completed as soon as possible and well prior to peak produced water production. The TF further recommends that the Legislature provide any needed authority and approve the necessary funding to expedite watershed permitting.